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SFC issues restriction notice on W. Falcon Asset Management (Asia) Limited

7 Jul 2017

The Securities and Futures Commission (SFC) today issued a Restriction Notice on W. Falcon Asset Management (Asia) Limited (W. Falcon) to safeguard the assets of the firm and its clients, and to protect the interest of its clients and the investing public (Note 1).

The restriction notice is to prohibit the firm, without the SFC's prior written consent, from carrying on all regulated activities for which it is licensed, disposing of or dealing with any assets held by it or held on behalf of its clients, and assisting, counselling or procuring another person to dispose of or deal with any such property, except for the return of any client money, client securities or any other client assets held by the firm as directed by the relevant client.

The SFC's action follows a self-report by W. Falcon informing the SFC that its liquid capital had dropped below the amount required under the Securities and Futures (Financial Resources) Rules. This was caused by a dishonoured cheque, in favour of W. Falcon, issued by the sole shareholder and a director of the firm.

The SFC then initiated a review which found that W. Falcon appeared to have a practice of window-dressing its month-end liquid capital reported to the SFC on repeated occasions, in each case through a cheque issued by that director in favour of W. Falcon at month-end. The cheque was then dishonoured on the first business day after the month-end date. If the liquid capital of W. Falcon did not include the amount of the dishonoured cheques, W. Falcon would have had a liquid capital deficit on each of those month-end dates.

That sole shareholder and director of the firm was allegedly the only authorised signatory for all withdrawals from the firm's bank accounts and client bank accounts for external payments, without the control of any Responsible Officers or its other employees. None of the Responsible Officers were authorised to operate any of the firm's bank accounts.

In light of the serious internal control problems at W. Falcon, the SFC has doubts over the firm's financial integrity and its ability to adequately safeguard client assets, as well as its fitness and properness to remain licensed (Note 2). The SFC investigation is ongoing.

Clients of W. Falcon are advised to contact the firm for the return of their assets immediately.

End

Notes:

1. The Restriction Notice is issued pursuant to sections 204 and 205 of the Securities and Futures Ordinance (SFO).
2. W. Falcon Asset Management (Asia) Limited is a corporation licensed under the SFO to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities subject to certain licensing conditions.

Page last updated : 7 Jul 2017

證監會向年興行資產管理（亞洲）有限公司發出限制通知書

2017年7月7日

證券及期貨事務監察委員會（證監會）今天向年興行資產管理（亞洲）有限公司（年興行）發出限制通知書，以保障該公司及其客戶的資產，並維護該等客戶及投資大眾的利益（註1）。

根據該限制通知書，除非事先獲得證監會的書面同意，否則該公司被禁止從事其獲發牌進行的所有受規管活動，處置或處理其所持有或代其客戶持有的資產，及輔助、慫使或促致另一人處置或處理任何有關財產，惟依照有關客戶的指示歸還該公司持有的任何客戶資金、客戶證券或任何其他客戶資產除外。

證監會在接獲年興行向證監會作出的自行匯報，指該公司的速動資金低於《證券及期貨(財政資源)規則》所規定的數額後，遂採取了上述行動。事件是由於該公司的一名唯一股東兼董事發出了以年興行為收款人的支票無法兌現所引致的。

證監會隨後進行檢視，發現年興行似乎曾多次粉飾其向證監會匯報的月底速動資金，而每一次都涉及由該董事在月終發出一張以年興行為收款人的支票。有關支票在月結日後的首個營業日無法兌現。若年興行的速動資金不包括該等無法兌現的支票的金額，年興行在各有關月結日便會出現速動資金短欠。

該公司的唯一股東兼董事據稱是為向外付款而從公司銀行帳戶及客戶銀行帳戶作出所有提款的唯一獲授權簽署人，而任何負責人員或該公司的其他僱員對此都沒有控制權。各負責人員均沒有獲授權操作該公司的任何銀行帳戶。

鑑於年興行的嚴重內部監控問題，證監會對該公司在財政方面的穩健性和確保客戶資產獲得充分保障的能力，以及其作為繼續獲發牌的適當人選的資格產生質疑（註2）。證監會的調查正在進行中。

本會建議年興行的客戶立即聯絡該公司取回他們的資產。

完

備註：

1. 限制通知書是依據《證券及期貨條例》第204及205條而發出。
2. 年興行資產管理（亞洲）有限公司是一家根據《證券及期貨條例》獲發牌進行第1類（證券交易）、第4類（就證券提供意見）及第9類（提供資產管理）受規管活動的法團，並受到某些發牌條件所規限。

最後更新日期：2017年7月7日